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DEPARTMENT FOR EEB/CBA LHARITON, SKOLTAI AND EAP/J

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SUBJECT: GLOBAL ENTREPRENEURSHIP WEEK IN JAPAN

REF: STATE 112998

11. Summary: Embassy Tokyo supported Global Entrepreneurship Week (GEW) in Japan, working with local organizers, and featuring a keynote program with Ambassador Roos on entrepreneurship. Organizers coordinated 14 separate events around Japan under a GEW umbrella, and attracted over 3000 participants. Another goal behind these events is to produce an analytical report on entrepreneurship and venture capital in Japan to contribute to the Global Entrepreneurship Monitor. End Summary.

12. Post coordinated extensively with organizers in preparing and executing Global Entrepreneurship Week (GEW) programs. Of particular note was a keynote presentation by Ambassador Roos: "A Conversation About Entrepreneurship." The diverse audience of about 300 also saw Secretary Clinton's video message. The Embassy co-sponsored the event, and embassy staff participated in programs and interacted with participants. We anticipate media coverage for both the Ambassador's presentation and for the GEW.

13. The Ambassador, in his remarks, stressed the importance of entrepreneurship and innovation to the United States: to economic growth and job creation, and to developing new technologies to solve pressing social problems. He described real entrepreneurs as not driven primarily by money but by a desire to create and build. He noted the importance of risk tolerance, the willingness to see failure as a chance to learn, and determination to try again.

14. He also elaborated several important features of an entrepreneurial ecosystem. An entrepreneurial ecosystem involves complex interaction of factors from availability of financing, to strong academic institutions and their interaction with business, to diversity and risk tolerance, to the availability of talent and human resources, to liquidity and market exits.

15. The Ambassador related stories of Google, E-Bay, and Genentech, and commented one never knows where the next big idea will come from, or which will succeed. Avoiding over-regulation or government interference in market decisions, and a policy of technology neutrality are therefore relevant principles. Regulation, even if well intentioned, can add costs and reduce the number of new start-ups.

16. Accepting that the majority of new ventures fail, healthy

markets distribute the costs, allowing people to learn from set-backs and try again. Financing is based much more on equity than debt, cash is scarce and salaries are typically low, but the rewards can be great for successful ventures.

17. The Ambassador also related that his former firm, during his tenure, had become recognized as the most diverse law firm in the US. While it may have been the right thing to do, it was also in the interest of the company. Far from lowering standards, being able to draw from a larger pool actually increased competition and the quality of the firm's talent. It was not difficult to adopt flexible policies to help attract talented women, and the best argument for such policies is to show examples where they have paid off.

18. With an enthusiastic audience reaction, the Ambassador reiterated his belief in the importance of innovation and entrepreneurship, and interest in helping promote these ideas. Post continues to develop contacts and will continue outreach and exchanges to promote innovation and entrepreneurship.

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